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AR-D-1510

CONFIDENTIAL

13 June 1952

## MEMORANDUM FOR THE RECORD

SUBJECT: Obligation Procedure for unvouchered funds

REFERENCE: A. ADPC memorandum to TD/A same subject dated 12 June 52

B. ADD/A memorandum for the record above subject dated 12 June 52

1. In the course of the last twenty-four hours I have had several telephone conversations with Col. White concerning this subject. The general burden of this group of conversations has been the conditions set forth in reference A for ADPC's concurrence in the proposed obligation system for unvouchered funds. My telephone conversation with him at 1100 today summarizes the problem and its current status.

2. Col. White summarized the nature of the OSO objections to the proposed procedure, called my attention to reference B which is a memorandum of Mr. Wolf's conversations with OSO on this subject, and expressed the hope that this Memorandum for Record would suffice to permit OPC to concur in Mr. Wolf's issuance on the proposed procedure without insisting on the conditions stated in Reference A.

3. Col. White said that Mr. Wolf felt that he should not accept a limitation, in initial installation of this procedure, only to the four stations of [REDACTED] as requested by Opc. I told him that we wanted those four stations because they were the ones at which Finance now plans first installation. However, I added that we would not stick on the number of four or on these specific stations. I summarized our interest as being only an agreement that first installation would involve only a limited number for a trial period and that further extension should occur only upon Opc-DD/A agreement. Col. White agreed that this would be a satisfactory understanding. It was also agreed between us that reference B is a sufficient protection against unwise extension of this procedure to small stations which are not equipped to handle it.

4. I stated that, with this agreement upon initial trial installation, I saw no major problem left between us on the matter of starting the trial field installations. I mentioned that Opc and the Comptroller's

office have

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office have already agreed collaterally that [redacted] of the Comptroller's office and [redacted] of this staff will be the joint team for installation of this procedure in major European stations. I, therefore, summarized this portion of the conversation as a very satisfactory agreement which completely cleared the way for action relating to the field.

5. I stated to Col. White our feeling that our specific proposals for amendment of the draft CFR's are seriously made and deserve consideration, and that we felt that these proposals should be included before the issuance of such regulations. Col. White stated Mr. Wolf's urgent desire, in view of his impending departure, to get these regulations out at once. He assured me that Mr. Wolf had strongly promised OSO and would similarly promise Opc that such issuance would be regarded as tentative in fact if not in form and that as further study shows need for it, he would not hesitate to revise. I emphasized our view that the regulations were not necessary to permit the field action to proceed and that we felt that time could be afforded for negotiation and consideration. He repeated that Mr. Wolf did not feel that such was the case and that he was certain that Mr. Wolf would not consent to such delay, without issuance, and discussion and resolution of these individual points. I told him that I had discussed this matter with [redacted] and that [redacted] felt that neither he nor I could assume responsibility for informally relaxing the conditions which ADPC had signed. I told him that we felt that these documents should be polished carefully because we frequently had the unfortunate experience that the Indians go by what the book says and may not be informed or, if informed, may not fully observe the informal understandings which higher levels may have made.

6. He said that he understood my position but that he was certain that Mr. Wolf could not accept it. He asked my view in the following plan of actions: that Mr. Wolf send ADPC a memorandum acknowledging reference 2 and stating that, while our points were not being ignored, he felt it necessary to issue the instructions as they now stand. This memorandum would assure us that detailed discussion of our points would continue and that any adjustments resulting from such discussions would be incorporated as modification of the original issuance. I told him that I did not feel that I could concur for Opc with this course of action, that of course I was in no position to tell him or Mr. Wolf not to take this course, and that I could not predict how ADPC would view such action. Col. White said that he recognized and understood my position but that, notwithstanding, he felt that this was the course which Mr. Wolf would adopt.

**SIGNED**

Chief, Administration  
and Logistics

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